

Multilevel Cross-Border Governance in the Czech-Saxon Borderland: Working together or in Parallel?

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ABSTRACT

Despite a large amount of literature on multilevel governance, relatively little empirical attention has been paid to decision-making in Central and Eastern Europe. This paper contributes to closing this research gap by focussing on multi-level cross-border decision-making across the Czech-Saxon border region. Specific attention is paid to the involvement of non-state actors and to the main challenges of cross-border multilevel governance in the case study's region. Although there is a tendency on both sides of the border to invite partners from the private and non-profit sectors into the decision-making process, the situation in the case-study region is far from the normative conceptualization of EU multilevel governance. For whole region the most important obstacles to balanced regional development were shown to be a multilevel mismatch, different languages, and the lack of a common strategy, while insufficient capacities at the local and regional levels were found on the Czech side.

Keywords: Multilevel governance, institutions, Cross-border cooperation, EU, Regional development

1. Introduction

Ongoing changes in EU governance can be characterized by the decentralization and regionalization of governance in recent decades (Schakel et al. 2015). Such changes go hand in hand with the implementation of the EU's subsidiarity principle, as well as the processes of European integration, which tend to increase the importance of cross-border regions. This represents challenges for national governments and results in the increasing autonomy of regions exposed to global competition.

This paper looks closely at the decision-making processes in the territory. The paper aims to understand cross-border decision-making interactions of actors under EU multilevel governance by identifying and analysing: (1) the main challenges for cross-border cooperation, (2) the main decision-making centres in relation to cross-

border cooperation, and (3) the extent of involvement of regional and local non-state actors represented by different social and economic partners, such as companies, citizens, interest groups, universities, non-governmental organizations (NGOs), etc., in Central and Eastern Europe (CEE). Both vertical multilevel cooperation and cooperation with non-state actors within the decision-making process is investigated. The focus is on cross-border cooperation in the understanding of European Territorial Cooperation represented by INTERREG programmes as well as cross-border cooperation with more general consequences.

The dominant position of national governments in decision-making is changing. Scholars dealing with EU multilevel governance stress that state competencies are delegated to the European level, and regional and local levels of government are being empowered (Marks 1993; Bache and Flinders 2004; Hooghe et al. 2010). There is also an increased involvement of non-state actors in decision-making processes (Rosenau 1997). Such changes in territorial administration and governance towards the more regionalized arrangements already common in Western European countries are transmitted to the governmental systems in the new EU member states with their specific institutional context. This process went hand in hand with preparations for accession to the European Union in 2004, and those changes have been further enhanced by the implementation of EU Cohesion Policy in CEE countries (Dabrowski 2008; Pálné Kovács 2009). The EU principles based on the creation and empowerment of new sub-national tiers of government and implementation of elements of participatory decision-making represent a challenge for traditionally centralised former socialist states.

When presenting EU governance trends, this does not mean that we can witness similar changes in all territories around Europe to the same extent (if at all). It is therefore necessary to focus on a case study testing whether the empowerment of sub-national bodies and other actors within multilevel governance can be considered a general feature of interactions of governmental actors in the EU, or whether such are specific to particular territories or sectors (Jordan 2001; Kull and Tatar 2015). There is still a research gap between theoretical conceptualizations of multilevel governance and its validation through empirical insight into the practices in particular regions, especially from CEE countries with their specific institutional context. The paper aims to bridge this research gap by bringing evidence from one cross-border-region case study to answer the following question: To what extent do actors from different governmental (European, national, subnational) levels as well as other social and economic partners interact to make decisions about balanced regional development? The focus is on reviewing the identified practices in a case-study region with the theoretical concept of multilevel governance. Moreover, particular attention is given to the main challenges actors have to face in steering the cross-border region, and, based on these findings, potential institutional solutions are outlined to make the processes more efficient. The paper discusses the specifics of governance in the cross-border-region case of North Bohemia (Usti Region) and the Free State of Saxony (Dresden Region). In the case-study region, different governmental and institutional traditions meet, and in cross-border cooperation, both systems of governance interact.

In terms of governance, cross-border regions are a specific case because, by its nature, cross-border governance and cooperation is characterized by networks and

polycentric organization which faces hierarchical governmental structures and their limitations, and by interactions between two governmental structures. Thus, a key challenge of EU cross-border multilevel governance is to identify appropriate mechanisms to coordinate actors and their interests that emerge at multiple scales, in diversified spaces and crossing pre-existing jurisdictions. To do so, it is important to understand the current decision-making processes based on interactions between actors, whilst taking into account the institutional context in a particular territory to enhance regional development.

The logic of the paper is ordered as follows. Firstly, EU multilevel governance is discussed with regard to the reality of regional polarization in CEE. The following chapter is focused on the specifics of cross-border governance and its challenges. The fourth chapter briefly describes the applied data and methodology. The fifth chapter deals with the characteristics of the case-study cross-border region. Then the following two chapters present results from the analysis of interaction between the main groups of actors operating in the investigated territory and the institutional challenges they face. Finally, the conclusion indicates potential solutions to streamline processes in the region.

2. Understanding EU multilevel governance in relation to regional polarization

The system of EU governance has undergone many changes during the ongoing process of European integration and globalization in recent decades. The number of actors involved in the process of decision-making has increased rapidly, and the whole system has become more cluttered and fuzzy.

One vein of changes refers to alterations in governance. The dominant position of traditional states as the main governmental bodies responsible for decision-making was deliberated, and responsibility moved towards other governmental levels (e.g. Marks 1993; Peters and Pierre 2001; Hooghe and Marks 2003; Bache and Flinders 2004; Hooghe et al. 2010, Schakel et al. 2015). But the process of changes has been slowed or even reversed in recent years in some European countries as a result of the fiscal crisis (Peters 2011; Hajnal and Csengodi 2014). Under multilevel governance, mutual independence in decision-making at various levels of government is fading, and new roles of national and regional governments are being defined as a consequence of European integration. In relation to the empowerment and increasing importance of subnational levels, mainly regions, some authors started to use the term “Europe of the Regions” (Delanty 1996; Keating 1997; Jeffery 1997), which was subsequently revised as “Europe with the Regions” (Benz 2001), which more precisely expresses the important position of regions as partners in European multilevel governance policy-making.

Although agreement can be found that territorial governance in Europe is a multilevel structure – where different actors from different levels or tiers interact in the decision-making process – there is no general consensus on how interaction between actors at different levels takes place and who the most important actors are in determining EU policies. On the one hand, Herrschel (2009) expresses that regions are established by higher levels of governments within hierarchical structures for the top-down management of their agendas, regardless of the will of regions. On the

other hand, Marks et al. (1996) emphasized that subnational administrative and political levels may cooperate and negotiate with the supranational level, independently from national governments, to directly influence EU policies. Peters and Pierre (2001) add that in multilevel governance, interaction between actors “is characterised more by dialogue and negotiation than command and control” (2001, 133). Recently, scholars have been giving increased attention to the mapping of administrative interactions, as well as diversified actors’ constellations in the policy process of EU multilevel governance (Heinelt and Lang 2011; Stephenson 2014).

Changes in empowerment at the sub-national level have taken place during the ongoing process of changes in the market. The integration of the world economy increases the pressure on European regions to succeed against competitors on the globalized world market. As a result, ongoing regional polarization has been present in Europe in recent decades, especially in CEE (Fischer-Tahir and Naumann 2013; Lang 2011). Hudson (2007) explains the situation by means of the natural processes resulting from the logic of capitalistic economic arrangements that were shifted even more by the ongoing process of globalization, where some regions’ “failure” is the price for other regions’ success. In the European context, regional polarization is characterized by increased economic disparities between European core regions – usually capital cities and other metropolitan areas that benefit from strong economic development – and other peripheral regions, including border regions, which economically lag behind (Lang 2012). Despite geographic location definitely not being the sole determinant of peripherality (see e.g. Kühn 2015), many peripheral areas in new member states are located in border regions.

Even though there is economic convergence between new EU member states and old members (Balázs and Jevcák 2015), we can witness the ongoing process of peripheralization and regional polarization in CEE where, consequently, economic differences between core and peripheral regions are increasing (Fischer-Tahir and Naumann 2013). It is necessary to understand the specifics of the economic development in CEE countries, which can be characterized by path dependency, when, during the process of economic transition from commanded economies, the new market-oriented model of economy was built on already existing bases of economies. This resulted in different evolutionary trajectories of economies than in Western European countries due to their later entrance to the global market (Novotný et al. 2016; Rodríguez-Pose 2013; Nölke and Vliegenthart 2009). Nölke and Vliegenthart (2009) mark them as “dependent market economies” and characterize them as countries with a favourable ratio between a skilled but cheap labour force, where innovations are transferred from the core (usually Western) regions, which results in an orientation of CEE economies toward less knowledge-intensive sectors, followed by outflow of capital to foreign owners.

In relation to the increasing complexity, dynamism and diversity of the problems to be solved by public actors, Kooiman (1993) stresses the necessity of cooperation between various governmental and non-state actors. Rosenau (1997) highlights the increasing importance of non-state actors influencing decision-making, leading to a shift from government to governance. The process of decision-making is not only situated within different levels of government, but moves beyond the governmental structure by wider involvement of non-state social and economic partners. Hence,

the EU is not only multilevel but also multi-sectoral (Jordan 2001). Sometimes the changes may be in quite an extreme position as seen with “governance without government” (Rosenau and Czempiel 1992; Rhodes 1996), which relates to the exclusion or by-passing of national government in a governing process.

Opinions regarding the benefits of presented changes in EU governance vary considerably among scholars. On the one hand, according to Kooiman (1993) and Bache (2010), it can lead to the democratization of decision-making processes and better policy targeting. On the other hand, others see potential risks in the interference of powerful interest groups, obstructions, or the questionable accountability of involved non-state actors in decision-making (Peters and Pierre 2001; Scharpf 2007; Geissel 2009), and it could also result in the diversification of powers and interests and potential conflicts between actors (Milio 2014). Nevertheless, the partnership principle between diversified actors from different levels and sectors in decision-making is supported by the EU within the design, implementation, monitoring and evaluation of EU Cohesion Policy (see, e.g., European Commission 2014), which aims to increase competitiveness, especially in less developed European regions, and reduce regional polarization.

There is still little evidence about the generalizability of the discussed trends in governance across Europe. Moreover, it is important to realize that only one practice does not fit the whole EU, but rather there is a vast number of approaches in the implementation of multilevel governance and the involvement of non-state actors. These widely differ between particular countries due to unique institutional arrangements and governmental traditions. Dabrowski et al. (2014) stress that *inter alia*, because of a more centralized system of governance and usually non-collaborative decision-making cultures in new EU member states from CEE, the implementation of EU Cohesion Policy brings different results compared with Western European countries. Milio (2014) provides evidence about differentiation in the implementation of EU policies at the regional level in Italy based on institutional settings, administrative tradition, relations between civil society and sub-national institutions, and stakeholders’ ability in terms of effectiveness and efficiency. In a similar institutional framework based on a comparison of the economies of Austria and the Czech Republic, Novotný et al. (2016) express the need to enhance “overall culture, responsiveness and performance of public administration” (805) among key challenges of Czech economic development.

3. Cross-border multilevel governance and its challenges

The ongoing process of European integration brings along increasing importance for cross-border regions in the EU context. Border regions are important in relation to EU territorial cohesion, and their development is supported via the implementation of EU Cohesion Policy (in the current programming period allocations amount to over EUR 10.1 billion). Different EU funding instruments represent an opportunity for the shared development of cross-border areas, yet integration remains short of expectations in Central Europe, and borders still matter. The situation is incomparable with borders in Western Europe, where there are common significant flows of local people, goods and services that boost the development of cross-border

regions (e.g. the Greater Region or the Upper Rhine Region). Despite EU efforts to balance out regional disparities through the implementation of Cohesion Policy, the gap between richer and poorer regions has remained static or even widened in new EU member states. The issue of cross-border cooperation and territorial integration became even more pressing after the EU enlargement in 2004 and 2007, when the EU's length of internal borders increased by 174% although the EU population increased by only approximately 20%. Almost two thirds of borders in the new CEE member states are internal borders, in comparison with 81.5% of coastline borders in EU 15 (ESPON 2006).

Cross-border regions are specific in that they usually lack "own" territory steered under only one jurisdiction (Chilla et al. 2012) because they comprise two or more border territories under different jurisdictions of particular countries. In terms of governance, this means that there is no jurisdiction that covers the whole territory of the cross-border regions or exercises authority over them (Faludi 2012). Moreover, all cross-border cooperation between political or administrative levels can be classified as multilevel governance because two or more governmental systems from different countries enter into such interaction. Issues of the territoriality of cross-border regions persist, even though regions have the opportunity to set up a European Grouping of Territorial Cooperation, which allows the establishment of cross-border legal entities and the delegation of subnational competences (Council Regulation (EC) 2006).

Building on Hooghe and Marks' (2003) multilevel governance Type I and Type II, Blatter (2004) adopted these concepts in relation to cross-border cooperation between territorial and functional governance. In the former, cross-border interaction can be characterized as the "space of flows," task-oriented jurisdictions, and rather polycentric organization and networks of actors; while the latter refers to the "space of place" and hierarchical organization with general-purpose jurisdiction. Europe has experienced an obvious shift from the cross-border cooperation characterized by Blatter (2004) as rather institutionalized with the predominant involvement of governmental or administrative actors – with a division of space according to administrative units focused on many policy fields and with higher stability over time – to a model that favours focusing on problem-oriented approaches and respecting flows in space. Certain EU Transnational Cooperation Programmes (Danube, Baltic Sea, Adriatic-Ionian and Alpine macro-regions) or Euroregions can be viewed as such soft spaces. Both types of cross-border multilevel governance ought to be seen as complementary rather than opposing or conflicting with each other – both co-exist within the same territory at the same time. Which one prevails and how are mutual interactions designed in a territory? The answer requires more empirical evidence from mapping governance practises in particular regions.

Cross-border cooperation faces many challenges that can limit cross-border development. For the development of cooperation, it is clearly necessary to identify and share common needs and interests between partners, but by nature, costs of cross-border cooperation are high, which can also result in overambitious expectations (Healey 1997) and failure of cooperation. Administrative barriers to cross-border cooperation include the various structures of public administration with different competencies at the same level across a border (Chilla et al. 2012) as well as

different legal frameworks (Knippschild 2011). According to a European Commission report (2016), the other main obstacles in border regions include language barriers and difficult physical access. The Metroborder project (2010) identified other potential barriers to cross-border cooperation, such as the absence of a common strategy, lack of political will or being on the political agenda, or the size of the territory. Cooperation between partners or regions also cannot be automatically anticipated, and the shared will of partners to participate rather than compete is important (Giffinger 2005; Jeřábek 2012). In the same vein, Blatter (2004) emphasizes that trust among cross-border partners is crucial for cooperation.

The literature review brings up general challenges with which cross-border actors have to deal, but situations usually differ between and along national borders. Each territory has its own specifics, institutional arrangements and administrative systems with differentiated power balances among particular actors that influence the manner and intensity of links between actors in the EU multilevel environment. A detailed case study of the Czech-Saxon borderland shows how these aspects affect cross-border development and cooperation.

4. Data and methodology of the research

To link theoretical concepts with practical knowledge of actors in the multilevel governmental arena in a region, the analysis used a combination of methods. The presented research uses the actor-centred approach (see, e.g., Marks 1996), and the analysis methodology for the decision-making process is based on the Governmental Analytical Framework developed by Marc Hufty (2011). The original framework is based on the analysis of key problems, actors, social norms, processes and nodal points, these being centres of decision-making where actors and institutions interact. The research focuses on the identification of key actors and their role in governance in the case-study region in relation to regional development and an analysis of their main institutional challenges.

It is clear that organizations cannot have power independently of the individuals who constitute them, but, analogically, membership in a specific organization facilitates or enables certain actions that would not otherwise be realized by individual actors. Lowndes (2001) marks organizations as collective actors. Although individuals play an important role in directing the actions of non-state organizations or governmental bodies, the focus of the current research is rather on the organizational level, and both organizations and individuals are generally considered actors.

A combination of methods was used for data collection. Similar to Dabrowski (2008, 2012) or Kull and Tatar (2015), mainly interviews with regional informants with everyday practical experience of local processes were used as data sources, accompanied by document analysis. Semi-structured interviews were conducted with different actors – such as regional and national political/administrative authorities, representatives of Euroregions, chambers of commerce, NGOs, municipalities or other cross-border actors – to identify their interactions within decision-making processes related to regional development in each cross-border region.

Twenty interviews were conducted, recorded, transcribed and coded in 2016 in the Czech-Saxon cross-border region covered by the Euroregion Elbe/Labe – of

which twelve were on the Czech side and eight on the Saxon side. See detailed information about the sample of respondents in Table 1. As other sources of data, strategic documents in relation to the case-study territory were also analysed: INTERREG operational programme documents, evaluations, EU directives, national and regional strategic development documents, and particular actors' development strategies.

Table 1: **Distribution of the sample of respondents by sector and nationality**

Sector / Nationality	The Free State of Saxony	The Czech Republic	Total
Public	3	5	8
Private	3	4	7
Academia	2	3	5
Total	8	12	20

Source: Own data

5. Characteristics and history of the case-study region

The case-study region is situated on the border between the Czech Republic and the Free State of Saxony, Germany, along the river Elbe. The investigated territory corresponds to the area covered by the Euroregion Elbe-Labe (see Figure 1) – the border comprises parts of the Ore Mountains and parts of the Czech-Saxon Switzerland national park. An important train route from Prague to Dresden, Berlin and Hamburg follows the course of the navigable river Elbe, and the Dresden-Prague highway goes through the region.



Figure 1: **Map of the case study region (Euroregion Elbe-Labe)**
(Adapted from Euroregion Elbe/Labe (2008) with author's own additions)

In the case study region, two political and administrative structures meet. Germany is a decentralized federal country where individual states (Länder) have a high degree of autonomy. After German reunification in 1990, Saxony quickly implemented a system of governance and institutional arrangements common in former West Germany and followed a path of decentralizing political power and administration functions (Wollmann 1997). Although in the Czech Republic there was the creation and empowerment of the regional administrative level at the turn of the millennium in connection to EU enlargement, it was rather formal, as was the case in other Central European countries (Pálné Kovács 2009). In fact, the Czech Republic is still a relatively centralized state where the majority of competencies is kept at

the national level and only to a limited extent transferred to the regional and municipal levels (Bachtler et al. 2013).

The region also has a complicated historical background. After the expulsion of the German population from the Czech border region after World War II, the area was repopulated from other regions in former Czechoslovakia. Moreover, the border was closed after socialist regimes were established in both countries. Although the regime was less strict than on the borders between Western and Eastern European countries, natural interaction between neighbours was disrupted for the next 40 years (Kowalke et al. 2012). After the regimes fell, new opportunities for the development of border regions arose. This process was accelerated by the establishment of Euroregions in the 1990s and the accession of the Czech Republic to the EU in 2004 and was further enhanced by Czech accession to the Schengen area in 2007 and the joint EU labour market in 2011.

Although both nations had a very similar historical development for many centuries, their paths of development diverged significantly after the fall of the socialist regimes. Saxony became part of the reunified Federal Republic of Germany and had the opportunity to use massive transfers of capital, infrastructure investments and institutions from former West Germany. It started the modernization of its industry, which led to today's focus on high-tech. The Czech Republic went through a noticeably slower transition process from a centrally planned to a free market economy, which was characterized among other things by the attenuation of the heavy industry that struck the especially highly industrialized North Bohemian region. The region is still struggling with that. As a result, the current economic reality is different on both sides of the border, which also has an effect on different development strategies. Whereas the Usti Region strategy, among other things, still focuses on building basic infrastructure (buildings and transport structures) and quality enhancement of educational, social and other public services to promote economic development, strategic documents of the Free State of Saxony put more emphasis on innovation potential and the development of modern technologies.

Although cooperation between the Czech Republic and Saxony has been investigated from various perspectives in recent years (see, e.g., Knippschild 2011 for an overview of challenges in cross-border cooperation in spatial planning or Jeřábek 2012 for an overview of different thematic areas of cross-border cooperation), little analysis has been conducted of the relations between actors from different spatial scales and/or sectors, their role in decision-making, and challenges with regard to territoriality and multilevel governance.

6. Which structures and actors operate in the case-study region

It is crucial to understand the important actors, their roles in the process of decision-making in relation to cross-border cooperation, and their interconnection in the case-study region (not only across borders but also within the countries) in order to be able to identify the structures with the main decision-making power as well as the nodal point where actors meet to make decisions. The analysis is focused on the different actors and their interests that emerge at multiple scales and diversified spaces. First, the vertical cooperation of governmental actors at different adminis-

trative levels and their roles in cross-border cooperation are discussed. Second, the roles of various other social and economic partners in the cross-border region are explained, followed by the identification of the main nodal points which represent arenas where decisions are taken about the development and direction of cross-border cooperation.

6.1 Vertical multilevel cooperation in the cross-border region

The main governmental actors operating in the region include the European Commission, Czech and Saxon ministries, Czech regions, Saxon districts and municipalities on both sides of the border. For an overview of administrative structures in both countries, see Table 2.

The European Commission plays a role in cross-border cooperation by setting up frameworks for EU Structural Fund financing. Since 1994, it was possible to use the PHARE cross-border cooperation programme, and after accession to the EU in 2004, it was possible to start using the INTERREG programme. There are 11 thematic priorities for the 2014-2020 programming period (European Commission 2015). Each cross-border operational programme had to address four main priorities that support the region with EU funding. For the case study region, the following priorities were chosen: education and training, better public administration, climate change and risk prevention, and environment and resource efficiency. The European Commission also plays a role in processes of monitoring and controlling implementation.

The current Operational Programme of the Free State of Saxony-Czech Republic 2014-2020 represents the main source of finances for cross-border cooperation, especially for public-sector organization from the Czech side of the border. The operational programme does not itself represent an actor in the sense described in other cases, but rather within the programme, other institutionalized bodies are related to project management, such as the Monitoring Committee, Joint Secretariat at Saxon Development Bank (Sächsische AufbauBank – SAB) which is responsible for programme administration, and the Saxon State Ministry for Environment and Agriculture as the managing authority with the Ministry for Regional Development of the Czech Republic as the national programme authority. Both responsible ministries represent governmental bodies which play an active role in the whole process of programming and coordination of other actors. Whereas in Germany, the responsibility for and management and control of the programme was fully delegated to the Free State of Saxony without involvement at the federal level, in the Czech Republic, competences are centralized at the national authority, although regional authorities are involved in the decision-making process regarding the programme's content orientation. The question arises to what extent the issue of cross-border cooperation and decision-making about its development is in the hands of regional and local actors (from peripheries), and to what extent important decision-making is taking place outside the particular region (in cores).

Designing the programme represents the most important part of the programming process, because there are established priorities and strategies, which are then implemented in the region. Although the main basic priorities are defined at the European level, respondents generally agree that the process of preparation of the

programme provides sufficient space to adapt it to the regional needs. Whereas on the Saxon side, the Saxon State Ministry for Environment and Agriculture was referred to as the main actor responsible for the preparation of the content of the implemented policies, on the Czech side, the answers were not so unambiguous; respondents practically identified specific regional authorities (kraj) and the Ministry for Regional Development as responsible for the content of the programme. The other actors participate in the preparation of this strategic document rather marginally, and most often only later through the implementation of individual projects.

Subnational political and administrative levels are represented on the Czech side of the border by the Usti Region (Ustecký Kraj) and on the Saxon side by the Rural District Saxon Switzerland-Eastern Ore Mountains (Landkreis Sächsische Schweiz-Osterzgebirge) and the Urban District of Dresden (Kreisfreie Stadt Dresden), which acts as a municipality. Czech regional authorities are responsible for general-purpose policy-making and implementation in the given territory, hold political power, and are led by “hejtman” as their political leaders. Saxon county authorities are also multifunctional, but in comparison with the Czech side, are rather administrative units. The Czech regional authorities are more active and hold higher political decision-making power in establishing frameworks for cross-border cooperation. Saxon authorities rather operate via the Euroregion and the implementation of particular projects.

Municipalities play an important role in cross-border cooperation according to respondents. Their role is to come up with ideas about projects to be realized, rather than active participation in decision-making at the regional level, but municipalities are grouped under the umbrella of Euroregions, through which they enter the decision-making process. In the case study territory, specific roles are held by the regional/national centres – the City of Dresden and the city of Usti nad Labem, where many important actors are located. Whereas the Saxon capital has the capacity and power to be an active actor in decision-making, this is not the case for the regional centre in the Czech Republic. Both centres are involved in various international networks of cities, but direct cross-border links operate to a limited extent, most often only through the implementation of projects funded under the INTERREG programme.

6.2 Social and economic partners’ role in cross-border cooperation

Although many actors other than governmental bodies – such as Euroregions, NGOs, companies and universities – involved in cross-border cooperation are more or less connected with the public sphere, they are not part of the hierarchical order of the territorial administration and to a certain extent act independently. Each is involved in the process of shaping cross-border cooperation from a different perspective and with different interests.

Euroregion Elbe/Labe is an actor with cross-border cooperation as the main purpose of its existence. Although it unites actors from municipalities and counties, it is not particularly anchored in hierarchical structures of public administration. The Euroregion was established in 1991 and consists of two independent parts, each

on one side of the border with their own legal entities. Both sides of the Euroregion cooperate intensively, although links are built mainly on a personal basis. Besides municipalities, members of the Saxon part of the Euroregion include Landkreis Sächsische Schweiz-Osterzgebirge and the City of Dresden, which is also personally connected with its secretariat. The mayor of Dresden is the president of the Euroregion, whose active involvement contributes significantly – according to many respondents – to the importance of the Euroregion on the Saxon side, in terms of cross-border relations. In comparison, the Czech side of the Euroregion is only based on municipalities' voluntary membership and is struggling with a reduced member base that reduces the financial resources for their activities and weakens the negotiating positions of other actors. Hence, mainly among Czech respondents, there is a tendency to see a decreasing importance of Euroregions in recent years. It is often put in relation with the establishment of regional authorities in the Czech Republic at the beginning of the 2000s, which gradually took over many functions that Euroregions used to have in their competencies. On the other hand, the Euroregion still plays an important role in the eyes of many local actors as a platform for seeking cross-border partners, and also because it is responsible for the management of the Small Projects Fund. That fund is financed by the European Regional Development Fund as one project within the INTERREG operational programme, which represents more easily accessible financial resources for these actors.

Among the recipients of such support are also universities, which were mentioned by respondents as one of the most active groups of actors in cross-border cooperation. Directly in the region there are two universities, on the Czech side the Jan Evangelista Purkyně University (UJEP) in Ústí nad Labem and, on the German side, the Technical University (TU) in Dresden. In the area covered by the cross-border operational programme, there are three more universities, one in the Czech Republic in Liberec and two in Saxony in Freiberg and Chemnitz. Although universities are active in cross-border interaction, further cooperation between universities is limited because of the significant difference in size and focus. Whereas TU Dresden is an excellent technically-oriented scientific and research organization with international overlap and almost 40,000 students, UJEP is a regional university with just 12,000 students. Despite those limitations, there is intense cooperation between regional universities, based mainly on particular projects but without any long-term frame or strategy. Saxony also has many other research institutes for which it is difficult to find a relevant cross-border partner.

Similarly to municipalities, NGOs do not participate directly in decision-making, but, in terms of cross-border cooperation, they focus on the implementation of particular projects. In Saxony, NGOs are considered to be public-sector partners. On the other hand, their financial capacities are limited because of their dependence on public funding (Zimmer et al. 2004). Nevertheless, in the Czech Republic, public authorities see the role of NGOs as being even more complicated. NGOs face insufficient financial and personnel capacities, and they are historically strongly dependent on public funding. Thus, they are often not perceived by the public sector to be an equal partner, and NGOs' invitation to the negotiating table may be perceived rather as a formality (USAID 2015; Vaceková et al. 2016). Moreover, due to their economic instability and vulnerability, Czech non-profit organizations place insuf-

ficient emphasis on strategic planning, and, therefore, there is no long-term strategy to exit this position (Potluka et al. 2017). Nonetheless, NGOs are seen as important actors in cross-border cooperation who often bring innovative ideas and projects, but rather on smaller scales.

Companies in the region also cooperate. Many Czech companies are owned by Germans and run with German capital. The question is whether the close interconnections between companies are caused by strong cross-border cooperation or rather as a consequence of globalization. Because many companies in the region are small or micro enterprises, many cross-border activities are performed or mediated through chambers of commerce on both sides of the border. Such chambers represent their members in negotiations with public authorities and provide professional services to members including setting up frameworks for cross-border cooperation. However, while membership in chambers of commerce is obligatory for companies in Germany, it is voluntary in the Czech Republic. This fact naturally gives the Saxon chamber of commerce higher relevancy and legitimacy in negotiations, as well as the ability to build own capacities. In Saxony, chambers also have closer contact with a wide range of actors, such as universities and research centres, the government, and municipalities. Nevertheless, there is cross-border cooperation between the chambers. They are using their own private financial sources or other national funding schemes or programmes.

6.3 Nodal points of cross-border cooperation decision-making

Nodal points represent arenas where actors from different sectors and levels interact to make decisions. Few such horizontal partnerships exist in the region among governmental and other economic and social partners to decide issues of cross-border cooperation. Figure 2 illustrates the main nodal points where actors on both sides of the border meet and discuss cross-border issues. The figure also shows what actors benefit from particular grant schemes within the INTERREG programme applied in the territory. Different nodal points playing different roles are characterized by different compositions of the actors and hold different levels of importance in the regional decision-making process.

The Czech-Saxon Intergovernmental Working Group operates at the national level on the Czech side and the Länder level on the Saxon side, where representatives from ministries discuss relevant common issues, share information and coordinate activities in working groups that include representatives from regional authorities and Euroregions. No direct decisions are made during meetings, but information transfer can influence the decision of participating authorities.

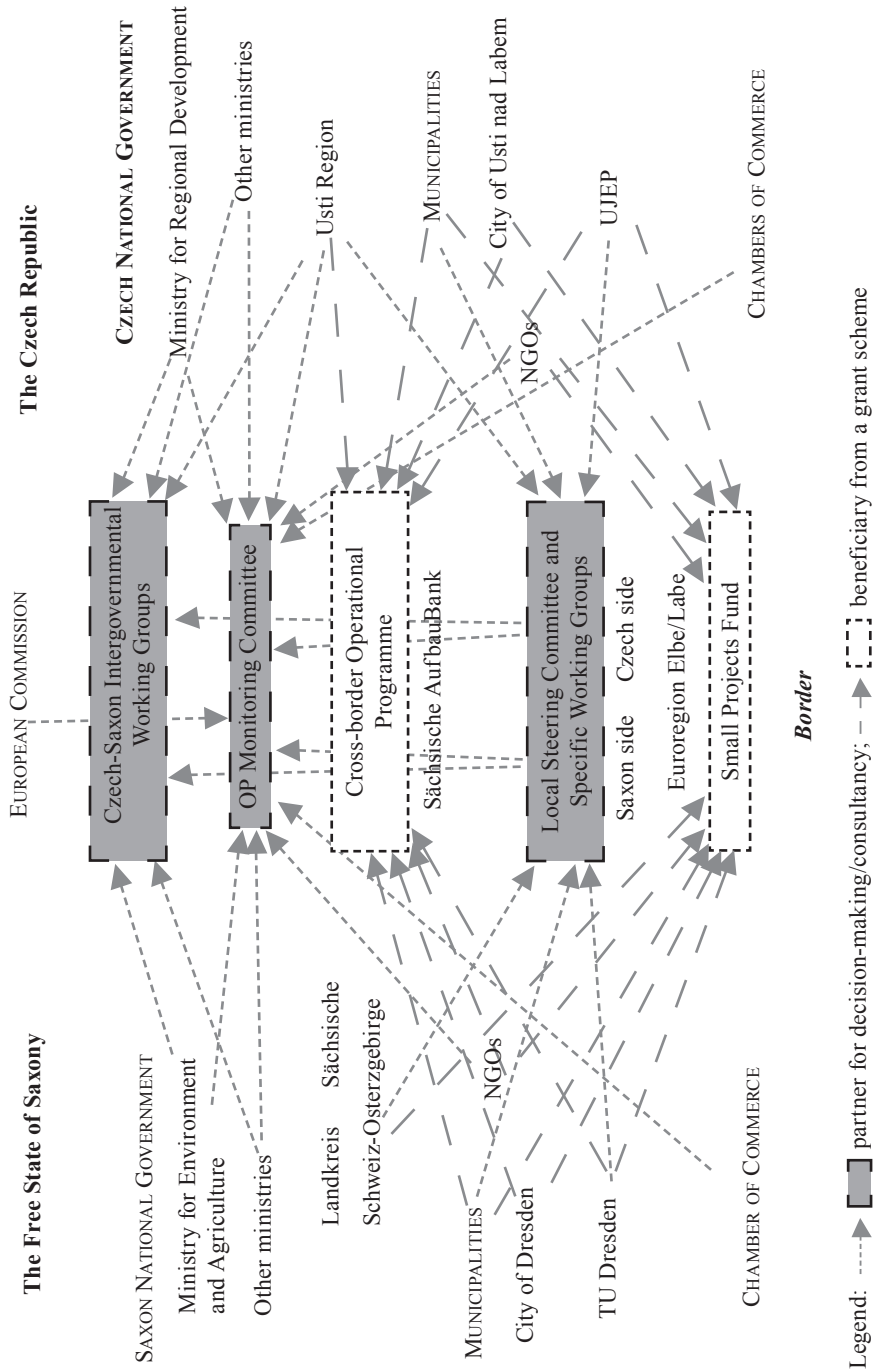


Figure 2: **Main actors involved in cross-border cooperation in the case-study region via different nodal points**
Source: own design based on interviews and document analysis

Also operating at the same level across the border are the Czech-German Working Group for Cooperation in Spatial Development with representatives from ministries and regions and the Czech-Saxon Working Group for Spatial Development, whose members support the CrossData project. This is one of the few such projects to have been realized in the region where actors from different levels met. Within Cross-Data, eight public authorities (two Saxon State ministries, three Saxon regional-planning associations and three Czech regions) have cooperated on developing a joint informational system for spatial planning. This aims to achieve better and more effective cross-border cooperation in spatial planning and joint land-use planning development in the border area (CrossData 2016).

Another nodal point was identified as the Monitoring Committee of the INTERREG VA cross-border operational programme, where selected representatives of regional or national actors monitor the fulfilment of programme targets and decide support for particular projects from the programme budget. On the Saxon side there are committee representatives from three Saxon State ministries, the Thuringian State Chancellery, four Euroregions, and four other regional economic and social partners, such as the Chamber of Industry and Commerce Chemnitz, the Saxon State Tourism Association, the German Trade Union Confederation in Saxony, the German Red Cross – National Association of Saxony, and the Nature and Biodiversity Conservation Union – National Association of Saxony. On the Czech side, committee meetings are attended by representatives of three state ministries, three regions (kraj), four Euroregions, the Czech Chamber of Commerce, and the Association of Non-Governmental Organizations. Whereas members of the committee from the German side of the border come from various sectors, Czech members mainly represent the public sector. The Monitoring Committee is considered to be the most powerful nodal point since it influences the direction of European subsidies and has the possibility to express support for specific projects. However, non-state respondents believe that the final say in it belongs to representatives of ministries and regional political authorities. Although members have the opportunity to express their opinions, they are not able to exercise much influence on the final decision.

Working groups (or sections) within the Euroregion can be considered another nodal point in the case-study region. These working groups operate at the local and regional levels and comprise elected representatives from the Euroregion and specialists from the public (mainly local municipal level), non-profit and private sectors from different areas. The sections are divided as follows: Business Development/Tourism; Environment; Culture, Education, Sport and Social Affairs; Transport; Civil Protection; Spatial Development. Such a platform is used to exchange information and have discussions, without having a decision-making role. However, these working groups are closely connected to the binational Local Steering Committee, which is responsible for the evaluation and approval of project applications submitted to the Small Project Fund, which is an important source of funding, especially for actors with limited capacities, such as small municipalities and NGOs as well as other non-state actors.

In relation to connections among different actors, multiple links have been identified. The majority of interactions exists between actors from the same sector and the same level (NGOs, universities, Chambers of commerce, public organizations). If there are inter-sectoral connections, they are organized within the state and not across

the border. The governance of cross-border regional cooperation can then be characterized by rather general-purpose jurisdictions, especially in the case of the INTERREG programme and intergovernmental working groups. Only in some specific cases, such as working groups within the Euroregion or at the project level, are task- or problem-oriented partnerships between the actors established in the case-study region.

7. Main institutional challenges of cross-border cooperation in the case-study region

Institutional arrangements create the frameworks for interactions between actors in order to make decisions about cross-border relations. Hence, it is important to identify the obstacles that various actors face. Respondents from both sides of the border identified a multilevel mismatch, different languages, the lack of a common strategy, and insufficient capacities at the local and regional levels on the Czech side as the most important obstacles in the cross-border case-study region.

7.1 Multilevel mismatch and multilevel gaps

The different political and administrative competencies at the same levels across borders represent one of the main obstacles to regional cross-border cooperation. Public authorities have a problem in finding the relevant partners on the other side of the border that hold similar decision-making competencies. As a result, the participation of more than one partner is required, which increases the demand for resources that are needed for cross-border cooperation between actors from different governmental levels. Chilla et al. (2012) emphasize that such an ambiguous situation can also lead to not involving important actors from the other side of the border in a cross-border issue. The situation in the region for public authorities is illustrated in Table 2.

Table 2: Administrative levels in the Free State of Saxony and the Czech Republic

The Federal Republic of Germany (82.175 mil. inhabitants; 357,340 km ²)	The Czech Republic (10.554 mil. inhabitants; 78,867 km ²)
The Free State of Saxony (4.085 mil. inhabitants; 18,420 km ²)	14 regions (kraj) (region average: 0.75 mil. inhabitants and 5,633 km ²)
10 rural districts (Landkreis) and 3 urban districts (Kreisfreie Stadt) (district average: 0.314 mil. inhabitants and 1,416 km ²)	205 municipalities with transferred powers 6,253 municipalities, including the national capital Prague, (average population 1,688)
432 municipalities (average population 9,456)	

Source: Federal Statistical Office 2016; Czech Statistical Office 2016. Author's own design.

* Data for 31 December 2015

It is difficult to establish a balanced partnership among hierarchical governmental levels. Whereas Saxon ministries represent autonomous governmental units with sufficient competencies in all areas, Czech regions represent a form of self-govern-

ing units that are subject to central government in many administrative areas. Thus, some cross-border issues, such as traffic or environment, can be managed only with its involvement. There is also mismatch in political competencies:

Politicians and decision-makers always look for a balance in hierarchy. And if you cross the border you will not find it. [The] prime minister in Dresden has to talk to [the] prime minister in Prague, what is not at the same level, he is much more important, or to [the] hejtman, and maybe the hejtman is [a] little less important. So it does not fit together [sic] (Saxon, academia, regional level).

Moreover, in some cases, it is impossible to find another closely related issue, which demonstrates gaps in the system of multilevel governance where no comparable organization is operating across the border:

The Usti region does not have any natural partner on the other side of the border (Czech, public sector, national level).

Similar gaps can be identified at other levels and sectors. For example, for a city the size of Dresden, there is no comparable city partner dealing with similar challenges in the border region on the Czech side. Also, a similar gap was identified by respondents in research institutions and universities.

Although the multilevel mismatch represents a challenge mainly for interactions between public authorities which are hierarchically arranged, it is also perceived as an obstacle by other actors who come into interactions with the public sector, such as chambers of commerce. However, the mismatch is partly also valid for cross-border interaction between chambers of commerce themselves due to their different organization, which results in different representative and negotiating power and an unbalanced cross-border partnership.

The mismatch is not only in political competencies, but also in the territory covered by a particular jurisdiction. In Table 2, the territorial and population size of particular units are depicted. It clearly illustrates the differences between territorial and administrative systems in both countries. For example, at the NUTS 3 level, Czech regions (kraj) are on average almost four times larger in size of territory and over two times larger in population than Saxon counties (Kreis). It is evident that the policy implementation or realization of a particular project in partnership with jurisdictions of a similar level across the border has a potentially different territorial impact.

If you take for example a city as a partner, firstly there is a completely different territorial impact and political impact, and secondly it solves a completely different agenda than regions ... there is a diametrical difference in the competencies of particular institutions (Czech, public sector, regional level).

At the municipal level there is a difference as well. Whereas in the Czech Republic municipalities are highly fragmented – there are 6,253 municipalities – the Free State of Saxony's municipalities are consolidated into far larger units. Their auton-

omy and self-governance is also much higher in comparison with their Czech partners, the latter being dependent on financial transfers from the centralized governmental budget (Bryson 2008). Thus, for small Czech border villages, the comparison to and collaboration with Saxon municipalities joined into larger units (and vice versa) is seen as difficult.

Notwithstanding that the multilevel mismatch was identified as one of the main obstacles, the majority of respondents agrees it is not a fatal obstacle that makes cooperation impossible. The main negative effect comprises increased transaction costs of cooperation and increased demands on coordination, sharing information, and trust between involved actors. There are examples that demonstrate how to overcome the multilevel mismatch, such as the already mentioned Czech-Saxon Working Group for Spatial Development, which is based on long-term partnership among actors responsible for the spatial planning that has led to the realization of cross-border projects and studies.

In general, respondents do not see the increased number of actors involved in cross-border cooperation as a problem, and in some cases they even see it as an opportunity to develop new ideas and information, but the fragmentation of activities and insufficient coordination has been identified as another closely related challenge in cross-border relations. There is insufficient information-sharing between actors about the preparation of project proposals for funding from cross-border operational programmes or other projects, as well as information about realization and achieved results. No public or private actor or body was identified that aims to coordinate cross-border activities. There is a monitoring committee for the INTERREG operational programme, but it only operates in relation to EU funding and the Czech-Saxon Intergovernmental Working Group and works rather at national levels among ministries to discuss joint issues relevant for both countries.

7.2 Different language and history

The language barrier was identified as one of the main factors limiting cooperation in the case-study region. Very often this factor is based on the problematic history of the territory: the indigenous German majority in border areas was displaced, inhabitants moved in without any roots in the territory after World War II, and the restricted border for the next 40 years meant that bilingualism, trust and social capital were lost in the territory. Even now, poor knowledge of languages among the population on both sides of the border persists, impeding cross-border cooperation mainly at the local level and in everyday connections.

I would say that in our region the language barrier is the biggest problem, because it makes it very hard to have easy everyday contacts to somebody on the other side of the border. Just take the phone and call somebody is for most of the people in our region more less impossible [sic] (Saxon, private sector, regional level).

Whilst the historical development of the case-study region can be seen as problematic, most respondents do not see history as such a barrier to cooperation or lead-

ing to any intolerance. If they see history as a problem, it is in the context of path dependency and the recent past, when the borders were shut and natural connections were interrupted, rather than in relation to the strained historical relationship.

7.3 Common strategy

The lack of strategy for cross-border regional development is identified by respondents as one of the crucial regional problems. There are no clearly defined common goals for regional cross-border cooperation, and no joint strategy has been developed to channel cross-border cooperation. Not even the Euroregion, for which cross-border cooperation is the main activity, has a currently applied joint strategy. Only a few exceptions can be identified in the form of the INTERREG operational programme, which was created in cooperation with actors from both sides of the border and covers the cross-border territory and common analytical study of development of the Czech-Saxon borderland issued at the ministerial level (see Ministry for Regional Development CR 2013). As for the best practice of strategic cooperation for economic development, a majority of respondents named the partnership between two national parks, Saxon and Bohemian Switzerland. Both national parks closely coordinate their activities and, together with other regional and local partners, create common development conceptions of the tourism in the area.

Even though other development strategies at the national, regional and municipal level exist, none were created in cooperation or coordination with cross-border partners or for any cross-border cooperation. Respondents see the main problem of a missing strategy in the ad-hoc realization of projects without any real long-term regional impact. With the exception of the “CrossData” and “The Central European cultural landscape Montanregion Erzgebirge/Krušnohoří – the way to UNESCO’s world heritage list” projects and on-going cooperation in security and flood-risk mitigation, it is hardly possible to identify any other cross-border activities with real territorial impact in relation to regional development.

7.4 Resources for cooperation

In relation to resources for cross-border cooperation, most respondents do not consider the current situation to be problematic. Whereas financial resources for cooperation are seen as sufficient for activities, much more criticism is levelled at limited personnel capacities at the regional and municipal levels, especially on the Czech side of the border. In the public sector of the Czech Republic, there is a tendency for new tasks and related workload to be allocated to existing positions, rather than creating new positions as in Germany.

[Cross-border cooperation] is about whether the officers are supposed to deal with the support, whether the city decides to allocate one person to deal with it and then she/he can develop it in detail ... It is about what priority politics will give to it, about allocation of human capital, either they will set it apart or give it to someone as a complementary work, and then it never works (Czech, public sector, local level).

In the same vein, Knippschild (2011) mentioned the example of the Polish-Czech-German border area, wherein one public servant at the municipal level serves 60 to 80 inhabitants in Germany, 213 to 453 in Poland, and 266 to 277 in the Czech Republic.

7.5 Other identified obstacles to cross-border cooperation

Varied interests are ranked among other hindrances to cross-border cooperation in the case-study region. This factor is closely related to the different economic development in the region, the differences in basic paradigm that should be followed in the development of regions, and the role of EU operational programmes in the financing system. Whereas responsible actors favour investments into “hard” infrastructure in the Czech Republic, the strategy is for “soft” investments into social capital in Saxony instead.

There is no consensus between respondents whether the current political will to support cross-border cooperation is sufficient or not. Some see it as insufficient and would welcome the greater involvement of politicians. But among them, some do not see the current situation as an obstacle and emphasize that at least there is no political pressure against cooperation. Others consider the current political will to be sufficient. However, the continuity of cross-border cooperation and the sustainability of projects supported by public budgets represent problems identified by respondents on both sides of the border. Many initial cross-border activities cease after the end of support or do not achieve the expected outcomes and long-term impacts in relation to regional development.

Although respondents identified many areas where closer cross-border cooperation can foster regional development on both sides of the border, the more significant shift in these issues is limited. Economic and social issues, such as integration in education, development of cross-border social services or an open cross-border labour market stays beyond respondents’ expectations. The main obstacles are seen in various acts of current national legislation implemented in particular states.

8. Conclusions

Territorial cooperation plays an important role in EU Cohesion Policy and in the process of European integration. The paper shows how complicated and complex the interactions among actors are in EU cross-border governance. The complexity of decision-making in EU multilevel governance was taken into account in order to provide evidence that there is not only one clearly defined decision-making centre, but rather many diversified mutually interconnected ones which are connecting diversified types of actors. It represents the mix of hierarchical and non-hierarchical structures.

The paper demonstrated the decision-making practices in the cross-border region of Usti Region and the Free State of Saxony on the territory of the Euroregion Elbe/Labe in relation to regional development. Although cross-border cooperation in the case study region has undergone positive developments in the last 25 years since the opening of the borders, numerous administrative, institutional and other barriers persist which could represent challenges on the road to a balanced regional development. Among the main obstacles in cross-border cooperation the following were identified: multilevel

mismatch; lack of a common strategy for the region; different languages, strong involvement of the central government; limited empowerment of non-state actors, and insufficient capacities at the local and regional levels on the Czech side of the border.

It seems essential to combine both bottom-up and top-down approaches to overcome these challenges and to improve the coordination among actors and their activities. As a bottom-up solution, building up the capacities of local and non-state actors, mainly on the Czech side of the border, and intense language courses at schools on both sides of the border should be supported not only financially but also by the legislation. However, these steps need to be implemented systematically and with a strategic approach that will enable them to be more effectively coordinated in order to strengthen their impact on regional development. To implement these changes, close cooperation and coordination among multiple levels of governance is needed. Many additional proposed changes in processes of decision-making and governance can be considered top-down approaches because their implementation requires support across different administrative and political levels.

In both border territories, the respective governments play an important and active role in designing and implementing cross-border cooperation. Although there are tendencies to invite non-state actors from the private and non-profit sectors into the decision-making process, the situation in the case-study region is far from the normative conceptualization of EU multilevel governance in theoretical and political discourses. Whereas cooperation between different governmental levels seems evident, even across the border and within the wider range of policies, the involvement of non-state actors is practically evident only in connection with the Monitoring Committee. Many actors who are considered important to cross-border cooperation, such as companies, municipalities, NGOs or universities, are not directly involved in the decision-making process, or only marginally. Still, there are significant cross-border differences: on the German side, non-state actors are strongly represented, whereas Czech members mainly represent public sectors with minimal involvement of non-state actors to fulfil the required partnership principle. Moreover, with the strong involvement of central national governments, it is difficult to speak about the genuine empowerment of all subnational administrative and political levels and their self-governance in relation to cross-border relations.

The only real delegation of decision-making power from governmental structures toward non-state actors can be seen in the context of the Small Projects Funds managed by Euroregions and financed from the INTERREG operational programme. Actors from different sectors and levels meet at certain other nodal points, but in the case of working groups in the Euroregion, the opportunity to influence decisions is very limited. In the case of different intergovernmental working groups – although they have a certain ability to participate in decision-making – the involvement of other relevant actors from the private sphere does not exist.

Despite the support of common cross-border decision-making tools by the European Commission, the situation in the case-study region is based on pre-existing separate hierarchical governmental structures on both sides of the border. As a result, the multilevel mismatch in competencies was identified as one of the main obstacles in cross-border cooperation. A potential solution could be a move from general purpose national or regional administrative governmental authorities towards functional prob-

lem-oriented structures, such as different working groups, based on involving actors from multiple scales and spaces. Administrative and political authorities operating in the region represent durable and stable organizations, which, however, also according to theory (e.g. Multilevel governance Type I), are rigid and slow-to-adapt to different conditions or problems. In contrast, problem-orientated organizations that involve diversified actors could lead to an increased flexibility and ability to accommodate given challenges. Although such approaches already exist in the case-study region, they are still relatively rare. Sometimes they are perceived as something that is challenging the current governmental system, but it is certainly not “governance without government” or regional authorities because they would and should play an important coordinating role. Thus, the crucial question is the readiness of the hierarchical administrative and political authorities at all levels to accept, enable and support these changes in EU cross-border multilevel governance. A realization of such changes in the governance needs open discussions and mutual understanding, and it should be implemented on the basis of a long-term development strategy for the cross-border region.

Closer cross-border cooperation could foster regional development in border regions which lag behind other regions economically. However, it can still be said that cooperation in the case-study region remains focused on building capacities, trust, and defining common goals, rather than on drawing up a common strategy, and much less on establishing a common decision-making authority. The implementation of any equivalent to, for example, the European Grouping of Territorial Cooperation, or a shift of cooperation to the level of Western European best practices, remains relatively distant in the case study region. Without solving these basic institutional issues, the cross-border region’s path of regional development has many obstacles.

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